Closure of Branches of Hnduistan Commercial Bank

1365. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE ,be pleased to state:

(a) whether it is a fact that all the 160 branches of the Hindustan Commericial Bank in the country have been closed down;

(b) if so, what alternate arrangements have been made by Government to help the customers and traders; and

(c) whether Government have received any representation to this effect; if so, what action has been taken thereon?

THE MINISTER OF STATE IN THE MINISTER OF FINANCE (SHRI JANARDHAN POOJARY): (a) and (b) On the recommendations of the Reserve Bank of India (RBI), an order of moratorium has been issued on the Hindustan Commercial Bank Ltd., Kanpur with effect from the close of business on May 24, 1986 and upto and inclusive of September 25, 1986. During the period of moratorium the branches of the Hindustan Comercial Bank Ltd. numbering 143. are allowed to conduct only limited business. To avoid hardship to the customers of the bank, the bank has been permitted:—

(i) to allow withdrawals from deposit accounts amounts upto Rs. 10,000 in the case of individuals and Rs. 25,000 in the case of institutions subject to a maximum of 50 per cent of the balance outstanding on the date of moratorium and provided that the Account holder is in no way indebted to the bank;

(ii) to allow operations of safe deposit lockers;

(iii) to make payments of drafts and pay orders issued by the bank and remaining unpaid on the date of moratorium;

(iv) to make payments of bills received for collection before the date of moratorium and realised before, on or after that date, and to return bills remaining unrealised to the entitled persons on request and

(v) to release the goods or securities pledged/hypothecated mortgaged/charged to the bank against loans etc., against full payment.

(c) The Reserve Bank of India has reported that representations from certain customers were received and the position has been clarified to them suitably.

Tax-free Public Bonds

1366. SHRI MAHENDRA PRASAD:
SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of FINANCE be pleased to state:

(a) whether a scheme for issue of a tax-free public bonds has been under consideration of Government;

(b) if so, what are the details of the scheme; and

(c) the amount sought to be raised through issue of these bonds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (a) A copy of the Government press Release issued on 15th July, 1986 regarding the issue of "Tax Free" Bonds by Public Sector Enterprises is attached. (*See* below).

(c) It is estimated that about Rs. 1000 crores will be raised by issue of these bonds during the financial year 1986-87.

PRESS RELEASE

(Copy)

F. No. S. 11(16)-CCI (II)|86

Government of India

MINISTRY OF FINANCE

Office of the Controller of Capital Issues.

Subject: Issue of "Tax Free" Bonds by Public Sector Enterprises.

Government had issued guidelines regarding floatation of bonds by pub-